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RESOLUTION 130-87

RESOLUTION AUTHORIZING THE ISSUANCE AND ORDERING THE SALE OF SHOW LOW UNIFIED SCHOOL DISTRICT NO. 10 OF NAVAJO COUNTY, ARIZONA SCHOOL IMPROVEMENT BONDS, PROJECT OF 1987, SERIES A (1988) IN THE PRINCIPAL AMOUNT OF $2,500,000; AND PROVIDING FOR THE ANNUAL LEVY OF A TAX ON ALL TAXABLE PROPERTY WITHIN SHOW LOW UNIFIED SCHOOL DISTRICT NO. 10 OF NAVAJO COUNTY, ARIZONA TO PROVIDE FOR THE PAYMENT OF THE INTEREST ON AND PRINCIPAL OF SAID BONDS.

WHEREAS, at a special bond election held in and for Show Low Unified School District No. 10 of Navajo County, Arizona (the "District") on November 3, 1987, there was submitted to the qualified electors thereof, the following question:

> Shall Show Low Unified School District No. 10 of Navajo County, Arizona (the "District") be authorized to purchase land for school sites and to issue and sell general obligation bonds of the District in the principal amount of $6,000,000 to provide funds to construct and acquire new school facilities; to remodel and improve existing school facilities; to purchase land for school purposes; to furnish and equip school facilities; to improve school grounds; to provde all necessary utilities; and to pay all legal, financial, architectural and other necessary costs in connection therewith, said bonds to bear interest at a rate of not to exceed 12% per annum, said interest being payable semiannually on the first day of January and the first day of July of each year until the maturity of each bond and the bonds to mature over a period of not to exceed 20 years from the date of their issuance, said bonds to be in the amount of $5,000 each or multiples thereof and to mature on the first day of the same month of each year which may be either January or July?

WHEREAS, the returns of the special bond election were duly canvassed by the Governing Board of the District and the proceedings and results thereof certified to this Board of Supervisors, as required by law; and

WHEREAS, a majority of the qualified electors of the District, voting at the special bond election, voted "Bonds, Yes" in answer to the question submitted; and

WHEREAS, the amount of the bonds authorized to be issued and sold pursuant to this Resolution will increase the bonded indebtedness of the District not in excess of 30% of the taxable property in the District used for secondary property purposes, as ascertained by the last assessment of State and County taxes; and

WHEREAS, the Governing Board of the District has requested that this Board of Supervisors proceed with the sale of the bonds in accordance with the Notice Inviting Proposals For Purchase Of Bonds approved by this Board of Supervisors on December 14, 1987; and

WHEREAS, all things required to be done preliminary to the authorization and issuance of the bonds have been duly done and performed in the manner required by law, and this Board of Supervisors is now empowered to proceed with the issuance and sale of the bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF NAVAJO COUNTY, ARIZONA:

Section 1. There shall be issued general obligation school improvement bonds of Show Low Unified School District No. 10 of Navajo County, Arizona in the principal amount of $2,500,000, to be designated Show Low Unified School District No. 10 of Navajo County, Arizona School Improvement Bonds, Project of 1987, Series A (1988) (the "Bonds"), to provide funds for the purposes set forth in the above mentioned form of the ballot question.

Section 2. The Bonds shall be dated January 1, 1988, shall be numbered, by maturity, from 1 consecutively upwards, shall be fully registered Bonds without coupons, shall be in the denomination of $5,000 or any integral multiple thereof, shall bear interest from the most recent January 1 or July 1 to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their date, which interest shall be payable commencing on January 1, 1989, and semiannually thereafter on each July 1 and January 1 during the term of each of the Bonds. The principal of the Bonds shall be payable upon presentation and surrender thereof at the principal corporate trust office of The Valley National Bank of Arizona, in Phoenix, Arizona, as Bond Registrar and Paying Agent. Interest on the Bonds shall be payable by check or draft mailed to the registered owner thereof, as shown on the

registration books for this series maintained by the Bond Registrar and Paying Agent at the address appearing therein at the close of business on the 15th day of the calendar month next preceding that interest payment date (the "regular record date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the registered owner thereof (or of one or more predecessor bonds) as of the regular record date, and shall be payable to the registered owner thereof (or of one or more predecessor bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to registered owners of Bonds not less than 10 days prior thereto. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America, the Bonds to mature on the dates and in the amounts as follows:

Maturity Date	Amount
July 1, 1994	$100,000
July 1, 1995	100,000
July 1, 1996	125,000
July 1, 1997	125,000
July 1, 1998	150,000
July 1, 1999	150,000
July 1, 2000	150,000
July 1, 2001	175,000
July 1, 2002	200,000
July 1, 2003	200,000
July 1, 2004	225,000
July 1, 2005	250,000
July 1, 2006	275,000
July 1, 2007	275,000

The Valley National Bank of Arizona, in Phoenix, Arizona, is hereby appointed as Bond Registrar and Paying Agent and the County Treasurer of Navajo County, Arizona is hereby authorized and directed to enter a contract with said bank covering such services. The Bond Registrar will maintain the books of the District for the registration of ownership of each Bond. A Bond may be transferred on the registration books upon delivery of the Bond to the Bond Registrar, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner of the Bond to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bond. No transfer of any Bond shall be effective until entered on the registration books.

In all cases upon the transfer of a Bond, the Bond Registrar will enter the transfer of ownership in the registration books and will authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the denominations of $5,000 or any integral multiple thereof (except that no Bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Section 2. All costs and expenses of initial registration and payment of the Bonds shall be borne by the District, but the District and the Bond Registrar shall charge the registered owner of such Bond, for every subsequent transfer of a Bond, an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to be paid with respect to such transfer, and may require that such transfer fee, tax or other governmental charge be paid before any such new Bond shall be delivered.

The District and the Bond Registrar will not be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th business day next preceding either any interest payment date or any date of selection of Bonds to be redeemed and ending with the close of business on the interest payment date or day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption.

Bonds of this series, maturing on or before July 1, 1997, are not subject to call for redemption prior to maturity. Bonds of this series maturing on or after July 1, 1998, are subject to call for redemption prior to maturity in whole or in part on July 1, 1997, or on any interest payment date thereafter, by the payment of the principal amount of each Bond called for redemption plus accrued interest to the date fixed for redemption plus a premium payable from any source lawfully available therefor, the premium to be computed as follows:

Redemption Dates	Premium
July 1, 1997 and January 1, 1998	3 %
July 1, 1998 and January 1, 1999	2½
July 1, 1999 and January 1, 2000	2
July 1, 2000 and January 1, 2001	1½
July 1, 2001 and January 1, 2002	1
July 1, 2002 and January 1, 2003 and without premium thereafter	½

Not more than 30 nor less than 15 days before any redemption date, the Bond Registrar shall cause a notice of any

such redemption to be mailed by registered or certified mail to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Failure to mail notice to any registered owner of Bonds shall not affect the validity of the proceeding for the redemption of Bonds with respect to the registered owners of other Bonds.

Section 3. The Bonds shall be executed on behalf of the District by the facsimile signature of the President of the Governing Board of the District and attested by the facsimile signature of the Clerk of the Governing Board of the District and shall be countersigned by the facsimile signature of the Chairman of the Board of Supervisors of Navajo County, Arizona, and such officials are hereby authorized and directed to execute the Bonds as aforesaid.

Section 4. The Bonds shall be in substantially the following form, allowing those executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution and the Notice Inviting Proposals For Purchase Of Bonds:

(Form of Bond)

REGISTERED
NO.

REGISTERED
$

(Form of Face of Bond)

UNITED STATES OF AMERICA

STATE OF ARIZONA

COUNTY OF NAVAJO

SHOW LOW UNIFIED SCHOOL DISTRICT NO. 10
OF NAVAJO COUNTY, ARIZONA
SCHOOL IMPROVEMENT BOND, PROJECT OF 1987, SERIES A (1988)

Interest Rate:	Maturity Date:	Original Issue Date:	CUSIP:
___% per annum	_____	January 1, 1988	_____

Show Low Unified School District No. 10 of Navajo County, Arizona, a school district duly created under Title 15, Chapter 4, Article 3, Arizona Revised Statutes, as amended (the "District"), for value received, hereby promises to pay to _____, or registered assigns, the principal amount of _____ Dollars ($_____) on the aforesaid Maturity Date, and to pay interest on the principal amount at the aforesaid Interest Rate on January 1, 1989 and on each July 1 and January 1 thereafter ("interest payment date") to its maturity or its redemption prior to maturity. The principal of this Bond is payable upon presentation and surrender hereof at the principal corporate trust office of The Valley National Bank of Arizona, in Phoenix, Arizona, as Bond Registrar and Paying Agent. Interest on this Bond is payable by check or draft mailed to the registered owner hereof, as shown on the registration books for this series maintained by the Bond Registrar and Paying Agent at the address appearing therein at the close of business on the 15th day of the calendar month next preceding that interest payment date (the "regular record date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the registered owner hereof (or of one or more predecessor Bonds) as of the regular record date, and shall be payable to the registered owner hereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to registered owners of the Bonds not less than 10 days prior thereto. The principal and interest on this Bond are payable in lawful

money of the United States of America, on the respective dates when principal and interest become due.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IF SET FORTH ON THE FACE HEREOF.

It is hereby certified, recited and declared (i) that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the issuance of this Bond and of the series of which it is one, have happened, have been done, do exist and have been performed in regular and due form and time as required by law; (ii) that the obligation evidenced by the series of Bonds of which this is one, together with all other existing indebtedness of the District, does not exceed any applicable constitutional or statutory limitation; and (iii) that due provision has been made for the levy and collection of a direct annual ad valorem tax upon taxable property within the District, over and above all other taxes authorized or limited by law, sufficient to pay the principal hereof and the interest hereon as each becomes due.

IN WITNESS WHEREOF, Show Low Unified School District No. 10 of Navajo County, Arizona has caused this Bond to be executed in the name of the District by the facsimile signature of the President of the Governing Board of the District and attested by the facsimile signature of the Clerk of the Governing Board of the District and to be countersigned by the facsimile signature of the Chairman of the Board of Supervisors of Navajo County, Arizona.

SHOW LOW UNIFIED SCHOOL
DISTRICT NO. 10 OF NAVAJO
COUNTY, ARIZONA

By_____(Facsimile)_____
President, Governing Board

ATTEST:

_____(Facsimile)_____
Clerk, Governing Board

COUNTERSIGNED:

By_____(Facsimile)_____
Chairman, Board of Supervisors
of Navajo County, Arizona

(Form of Certificate of Authentication)

Date of Authentication: _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution and is one of the Show Low Unified School District No. 10 of Navajo County, Arizona School Improvement Bonds, Project of 1987, Series A (1988).

THE VALLEY NATIONAL BANK OF
ARIZONA, as Bond Registrar

By_____
Authorized Representative

(Form of Reverse of Bond)

This Bond is one of a series of Bonds, in the aggregate principal amount of Two Million Five Hundred Thousand Dollars ($2,500,000), of like tenor except as to maturity date, rate of interest, and number, issued by the Board of Supervisors of Navajo County, Arizona for and on behalf of Show Low Unified School District No. 10 of Navajo County, Arizona (the "District"), for the purpose of providing funds to make those certain school improvements in the District, specifically approved by a majority of those qualified electors of the District voting at an election duly called and held in the District on November 3, 1987. The Bonds are so issued by virtue of a Resolution of the Board of Supervisors of Navajo County, Arizona, duly adopted prior to the issuance hereof (the "Resolution"), and pursuant to and in conformity with the Constitution and laws of the State of Arizona, as amended, relating to the issuance and sale of school district improvement bonds, and all other laws of the State of Arizona relating thereto.

For the punctual payment of this Bond, and the interest hereon and for the levy and collection of taxes sufficient for that purpose, the full faith and credit of the District are hereby irrevocably pledged.

Bonds of this series, maturing on or before July 1, 1997, are not subject to call for redemption prior to maturity. Bonds of this series maturing on or after July 1, 1998, are subject to call for redemption prior to maturity in whole or in part on July 1, 1997, or on any interest payment date thereafter, by the payment of the principal amount of each Bond called for redemption plus accrued interest to the date fixed for redemption plus a premium payable from any source lawfully available therefor, the premium to be computed as follows:

Redemption Dates	Premium
July 1, 1997 and January 1, 1998	3 %
July 1, 1998 and January 1, 1999	2½
July 1, 1999 and January 1, 2000	2
July 1, 2000 and January 1, 2001	1½
July 1, 2001 and January 1, 2002	1
July 1, 2002 and January 1, 2003 and without premium thereafter	½

Not more than 30 nor less than 15 days before any redemption date, the Bond Registrar shall cause a notice of any such redemption to be mailed by registered or certified mail to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Failure to mail notice to any registered owner of Bonds

shall not affect the validity of the proceeding for the redemption of Bonds with respect to the registered owners of other Bonds.

The Bond Registrar will maintain the books of the District for the registration of ownership of each Bond as provided in the Resolution.

This Bond may be transferred on the registration books upon delivery hereof to the Bond Registrar, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner of this Bond or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer. No transfer of this Bond shall be effective until entered on the registration books.

In all cases upon the transfer of a Bond, the Bond Registrar will enter the transfer of ownership in the registration books and will authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the denominations of $5,000 or any integral multiple thereof (except that no Bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Resolution. All costs and expenses of initial registration and payment of the Bonds will be borne by the District, but the District and the Bond Registrar will charge the owner of such Bond, for every subsequent transfer of a Bond, an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to be paid with respect to such transfer, and may require that such transfer fee, tax or other governmental charge be paid before any such new Bond shall be delivered.

The District and the Bond Registrar will not be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th business day next preceding either any interest payment date or any date of selection of Bonds to be redeemed and ending with the close of business on the interest payment date or day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption.

This Bond shall not be entitled to any security or benefit under the Resolution or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

(FORM OF ASSIGNMENT)
Assignment

For value received, the undersigned sells, assigns and transfers unto _____ the within Bond and irrevocably constitutes and appoints _____ attorney to transfer this Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ _____
Signature

Signature Guaranteed:

_____ _____
(Commercial Bank, Trust Company or member of a National Stock Exchange) Signature

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not included in the above list

ALL FEES AND COSTS OF TRANSFER
SHALL BE PAID BY THE TRANSFEROR

Section 5. In each year while any of the Bonds shall be outstanding, there shall be and hereby is levied upon all taxable property within the District a continuing, direct, annual, ad valorem tax over and above all other taxes authorized or limited by law, which tax, together with other funds then on hand and available for such purposes, shall be sufficient to pay the principal of and interest on the Bonds as the same become due. The tax shall be extended and collected for the District and the officials of the District and Navajo County, Arizona charged with the annual extension and collection of taxes, without further instructions from this Board of Supervisors, shall extend and collect the tax upon issuance of the Bonds. All moneys collected through such tax shall be paid into the treasury of Navajo County, Arizona to the credit of the Building Fund of the District, from which fund the Bonds shall be payable, which tax moneys shall be held in subfunds to be known as the "Interest Fund" and the "Redemption Fund", which funds shall be kept separate and apart from and not commingled with any other funds or moneys and which shall be used solely for, respectively, payment of interest on and principal of the Bonds.

Section 6. In consideration of the purchase and acceptance of any and all of the Bonds issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the District and the registered owners of the Bonds.

Section 7. The Bonds shall be sold to the bidder whose offer results in the lowest net interest cost to the District in accordance with the Notice Inviting Proposals For Purchase Of Bonds.

Section 8. Upon the sale of the Bonds and payment therefore in accordance with the accepted bid and the provisions of this Resolution, the County Treasurer of Navajo County, Arizona is hereby authorized and directed to deliver the Bonds to the purchaser thereof upon receipt of payment therefor.

Section 9. The proceeds derived from the sale of the Bonds shall be deposited in the treasury of Navajo County, Arizona to the credit of the Building Fund of the District in a subfund to be used solely for the purposes specified in the aforementioned question; provided, however, that (a) such proceeds may be invested in the manner and under the circumstances allowed by Title 15, Chapter 9, Article 7, Sections 15-1024 and 15-1025, Arizona Revised Statutes, and all amendments thereto and (b) any moneys remaining in such subfund after such purposes shall have been accomplished shall be transferred to the Redemption Fund and the Interest Fund of the District in the same fashion as taxes.

Section 10. In consideration of the purchase and acceptance of the Bonds by the registered owners thereof from time to time, and as authorized by Arizona Revised Statutes, Title 35, Article 7, enacted as Chapter 226, Laws of 1986, and in consideration of retaining the exemption from federal income taxes of the interest income on the Bonds, the County and the District covenant and agree, and the appropriate officials of the County and the District are hereby directed, to take all action required, or to refrain from taking any action prohibited, by the Internal Revenue Code of 1986 (the "Code"), including, without limitation (i) to meet the arbitrage rebate provisions of the Code (Section 148(f) of the Code), (ii) to make the required information filing pursuant to the Code (Section 149(e) of the Code), and (iii) to do all other things necessary to preserve the tax exempt status of the interest income on the Bonds.

Section 11. The County and the District hereby represent and warrant that the District has general taxing powers, the Bonds are not private activity bonds within the meaning of the Code, ninety-five percent (95%) or more of the net proceeds of the Bonds will be used for local governmental activities of the District, and the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds within the meaning of the Code) issued by the County on behalf of the District during the 1988 calendar year are not reasonably expected to exceed $5,000,000.

Section 12. The County and the District hereby designate the Bonds as qualified tax-exempt obligations within the meaning of and pursuant to the provisions of 265(b) of the Code and the County and the District represent and warrant that the reasonably anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the County on behalf of the District during the calendar year 1988 will not exceed $10,000,000.

Section 13. This Resolution shall take effect immediately.

PASSED AND ADOPTED this 21st day of December, 1987.

ATTEST:

Chairman, Board of Supervisors

Clerk, Board of Supervisors

RESOLUTION 130-87

RESOLUTION AWARDING $2,500,000 PRINCIPAL AMOUNT OF SHOW LOW UNIFIED SCHOOL DISTRICT NO. 10 OF NAVAJO COUNTY, ARIZONA SCHOOL IMPROVEMENT BONDS, PROJECT OF 1987, SERIES A (1988)

WHEREAS, sealed proposals having been received pursuant to a Notice Inviting Proposals For Purchase Of Bonds (the "Notice") for the sale of $2,500,000 of Show Low Unified School District No. 10 of Navajo County, Arizona School Improvement Bonds, Project of 1987, Series A (1988) (the "Bonds"); and

WHEREAS, the proposal of Blunt Ellis & Loewi, Incorporated has been determined to result in the lowest net interest cost to the District and, in all respects, complies with the terms of said Notice:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF NAVAJO COUNTY, ARIZONA:

Section 1. That the proposal of Blunt Ellis & Loewi, Incorporated for the purchase of the Bonds be and hereby is accepted and the Bonds be and hereby are awarded to Blunt Ellis & Loewi, Incorporated (the "Purchaser").

Section 2. That, in accordance with the terms of the proposal submitted by the Purchaser, the Bonds of the various maturities shall bear interest from January 1, 1988 at the following rates:

Maturity Date	Amount	Interest Rate Per Annum
July 1, 1994	$100,000	10.00%
July 1, 1995	100,000	10.00
July 1, 1996	125,000	10.00
July 1, 1997	125,000	9.50
July 1, 1998	150,000	7.00
July 1, 1999	150,000	7.10
July 1, 2000	150,000	7.20
July 1, 2001	175,000	7.30
July 1, 2002	200,000	7.40
July 1, 2003	200,000	7.50
July 1, 2004	225,000	7.60
July 1, 2005	250,000	7.70
July 1, 2006	275,000	7.75
July 1, 2007	275,000	7.50

Section 3. That all actions heretofore taken relating to the authorization, issuance and sale of the Bonds are hereby ratified and affirmed.

Section 4. That the County Treasurer of Navajo County, Arizona be and hereby is authorized and directed to deliver the Bonds to the Purchaser upon receipt of payment therefor.

Section 5. That the County Treasurer of Navajo County, Arizona be and hereby is authorized and directed to return forthwith the good faith checks of all unsuccessful bidders.

Section 6. That this Resolution shall take effect immediately.

DATED: December 21, 1987.

Chairman, Board of Supervisors
of Navajo County, Arizona

ATTEST:

Clerk, Board of Supervisors
of Navajo County, Arizona

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